



DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
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IN REPLY
REFER TO

AQOC

OCT 1 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-059, Progress Payment Distribution
(INFORMATION), Revision to DCMC Memorandum 97-046**

This is an INFORMATION memorandum. This memorandum expires January 31, 1998.
Target Audience: All DCMC Employees.

Information memorandum 97-046 indicated that effective October 1, 1997, contracting officers would be required to provide instructions to the Defense Finance and Accounting Service on how progress payments will be distributed between contract line items, subline items and accounting classification reference numbers (ACRNs) for contracts containing more than one ACRN.

The attached Memorandum from the Deputy Secretary postpones the implementation of this requirement until January 1998, so that the Department can complete a review of the resource implications of the requirement.

Contract Administration Offices should cease any actions related to the implementation of the requirements as described in information memorandum 97-046, until additional instructions are provided.

The HQ DCMC point of contact for this issue is Mr. David Guinasso, Business Practices and Contract Payment Team, (703) 767-2354, DSN 427-2354, or Internet:
david_guinasso@hq.dla.mil.


JILL E. PETTIBONE
Executive Director
Contract Management Policy

Attachment





THE DEPUTY SECRETARY OF DEFENSE

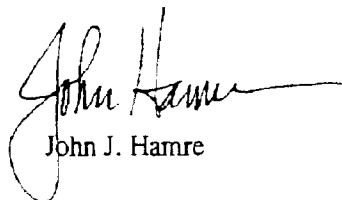
WASHINGTON, D.C. 20301

1 OCT 1997

MEMORANDUM FOR ACTING UNDER SECRETARY OF DEFENSE (ACQUISITION
AND TECHNOLOGY)
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Progress Payment Distribution Policy

Revised distribution policies for progress payments were scheduled to take effect October 1, 1997. However, in view of the potential resource implications associated with the proposed policy change, as well as congressional interest in the matter, I am postponing the implementation of the planned changes until January 1998, pending a more complete review of the resource implications of the planned manner in which the Department would distribute progress payments.


John J. Hamre